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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

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IN THE MATTER OF DETERMINING  
Whether there has been a violation of the Business  
Opportunity Fraud Act of Washington by:

Electronic Billing Systems, Inc.; Ronald Tupps;  
Robert Ash; their agents and employees,  
  
Respondents.

SDO – 87-02  
S-02-329-02-TO01

**SUMMARY ORDER TO CEASE AND DESIST**

Case No. 02-05-180  
ACO: 02-329

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THE STATE OF WASHINGTON TO:

Electronic Billing Systems, Inc.  
Ronald Tupps, President  
3550 East Post Road, #500  
Las Vegas, Nevada 89120

**STATEMENT OF CHARGES**

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Electronic Billing Systems, Inc., Ronald Tupps, Robert Ash, their agents and employees have violated the Business Opportunity Fraud Act of Washington and that its violations justify the entry of an order of the Securities Administrator under RCW 19.110.150 to cease and desist from such violations. The Securities Administrator finds that delay in ordering the Respondent to cease and desist from such violations would be hazardous to the investors and to the public and that a Summary Order to Cease and Desist should be entered immediately. The Securities Administrator finds as follows:

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## TENTATIVE FINDINGS OF FACT

### I. Respondents

1. Electronic Billing Systems, Inc. ("EBS") is a Nevada corporation with a business address of 3550 East Post Road #500, Las Vegas, Nevada 89120. EBS is in the business of providing training and software for at-home medical and dental patient billing.

2. Ronald Tupps ("Tupps") was the President of EBS at all times relevant to the matters set forth herein.

3. Robert Ash ("Ash") was the General Manager of EBS at all times relevant to the matters set forth herein.

### II. Nature of the Offering

4. EBS maintains a website located at [www.electronicbilling.com](http://www.electronicbilling.com). This website is available to Washington residents. Further, in April 2002, EBS placed an advertisement in at least one Washington newspaper. The advertisement stated:

**Data Entry** Could earn \$15  
& up. Medical Billing Co.  
seeks people to process  
claims. Will train.  
PC req'd. Call 7 days  
**800-935-1311 x230**

5. Upon viewing the advertisement, at least one Washington resident called the provided telephone number. An EBS representative offered a Washington resident the medical billing system for \$499.99. This system would include all the necessary materials to provide electronic medical billing to local medical professionals.

6. An EBS representative informed a Washington resident that there was a 21-day refund policy for purchasers.

1 7. A Washington resident received a package of information from EBS. The package contained  
2 videotapes and workbooks for use in training and certification. The package also contained compact disks that  
3 contained medical billing software and medical databases.

4 8. This package failed to disclose material information regarding the business opportunity. The  
5 package failed to include material financial information regarding EBS, including, but not limited to, a financial  
6 statement.

7 **III. Registration Status**

8 9. EBS is not currently registered to sell its business opportunities in the state of Washington.

9 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

10 **CONCLUSIONS OF LAW**

11 1. The offer and/or sale of medical billing systems as described above constitutes the offer and/or  
12 sale of a business opportunity as defined in RCW 19.110.020(1).

13 2. The offer and/or sale of said business opportunity is in violation of RCW 19.110.050 because no  
14 registration or notification of claim of exemption for such offer and/or sale is on file with the Administrator of  
15 Securities, state of Washington.

16 3. The offer and/or sale of said business opportunity was made in violation of RCW 19.110.070 and  
17 RCW 19.110.120, the disclosure document and antifraud provisions of the Business Opportunity Fraud Act,  
18 respectively.

19 **EMERGENCY**

20 The Securities Administrator finds that an emergency exists, as the continued offering of the business  
21 opportunity described above in violation of RCW 19.110.050, RCW 19.110.070 and RCW 19.110.120 presents  
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1 a threat to the investing public. The Securities Administrator therefore finds a summary order to cease and  
2 desist from those violations is in the public interest and necessary for the protection of the investing public.

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4 **SUMMARY ORDER**

5 Based on the foregoing, NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED that  
6 Respondents Electronic Billing Systems, Ronald Tupps, Robert Ash, their agents and employees, each cease  
7 and desist from violation of RCW 19.110.050, RCW 19.110.170 and RCW 19.110.120, the registration,  
8 disclosure document and antifraud provisions, respectively, of the Business Opportunity Fraud Act.

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10 **AUTHORITY AND PROCEDURE**

11 This Order is entered pursuant to the provisions of RCW 19.110.150, and is subject to the provisions of  
12 Chapter 34.05 RCW. The Respondents may make a written request for a hearing as set forth in the NOTICE  
13 OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this order.

14 If the respondent does not request a hearing, the Securities Administrator intends to adopt the above  
15 Tentative Findings of Fact and Conclusions of Law as final and make the summary order to cease and desist  
16 permanent as to that respondent.

17 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

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20 DATED this 28th day of October 2002.

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DEBORAH R. BORTNER  
24 Securities Administrator

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Presented by:

Presented by:

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Martin Cordell  
Financial Legal Examiner

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Susan H. Anderson  
Investigator

Approved By:

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Michael E. Stevenson  
Chief of Enforcement